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## **Follow-Up Memo On Lottery Operations**

**To: Members of the House Government Oversight Committee and Senate Government Oversight Committee**

**From: Ed Stanek**

**Date: Dec. 8, 2004**

During the Lottery's November appearance before the Government Oversight Committees, I was asked to provide further details about some lottery budget items. I provided that information electronically in advance to the Legislative Services Agency and also am providing hard copies for you today.

I also was asked at the November meeting to provide examples of information that the Lottery produces regarding two areas: 1. the odds in its games; 2. the state's gambling treatment hotline, 1-800-BETSOFF. I am providing several different documents for your review today and have highlighted the key information on each example.

The Lottery provides information about odds in its games in a variety of ways each day. Overall odds are printed on our pull-tab, instant-scratch and lotto tickets themselves. Detailed information about the odds in our games is provided on the Lottery's web site at [www.ialottery.com](http://www.ialottery.com). Detailed information also is provided on game brochures that we provide at our retail locations and on the play slips we provide for our lotto games.

The lottery's play slips and tickets and nearly all of its brochures also provide information about how people can reach the state's Gambling Treatment Hotline, 1-800-BETSOFF.

Representative Raecker asked during the November meeting about 1-800-BETSOFF information provided with the lottery's Quarter Play electronic game cards, which currently are being sold in a market test in the Cedar Rapids, Waterloo/Cedar Falls and Dubuque areas. The Quarter Play cards are sold in a cellophane wrapper that also contains a brochure explaining how to play the game card. That brochure contains information about the gambling treatment hotline.

I have provided some game cards and brochures for your review today. We will redesign the back of the game cards before they go on sale statewide next spring to

make sure that the gambling treatment information is on both the game card itself and the accompanying brochure.

With total sales of \$208.5 million in fiscal year 2004, the Iowa Lottery printed information about the odds in its games and the state gambling treatment hotline on about 208 million tickets. (That number is an estimate because the price points of our games vary. While some of our instant-scratch games cost more than \$1 to play, many of our pull-tab games cost as little as 25 cents per play.)

In addition to the odds and gambling treatment information provided on our tickets, the lottery currently prints about 1.5 million game brochures each year that provide the same information and includes the information in ads it prints each week in hundreds of newspapers across the state. And, in March for each of the past several years, the lottery has worked with the state gambling treatment program to place ads in 158 newspapers in Iowa to help spread the word about National Problem Gambling Awareness Week.

The Lottery also is providing budget details in 10 spreadsheets attached to this memo:

1. Current FTEs and number of contract employees.
2. A breakdown of the "Other Expenses" category from 6-30-04 income statement.
3. Current financial balance sheet (through Oct. 31, 2004).
4. FY 2004 year-end balances by category.
5. FY 2005 revised budget by category.
6. FY 2005 actual revenues and expenditures to date.
7. Explanation of unspent balance from FY 2004.
8. Details of items included in reimbursements to other departments.
9. A break-out of out-of-state travel expenditures.
10. Vehicle utilization including vehicle types.